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June 6, 2007

Ms. Wendy Wyels
Supervisor, Title 27 and WDR Program Units
State of California
Environmental Protection Agency
California Regional Water Quality Control Board
Central Valley Region
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670-6114

RECEIVED
ENVIRONMENTAL
PROTECTION
AGENCY
JUN 11 2007
11:05 AM

Re: Drew Tunnel, Grass Valley, CA –
Proposed Cleanup and Abatement Order to Newmont USA, Limited

Dear Ms. Wyels:

We want to thank you and your staff for taking the time to meet with me and the other Newmont USA Limited ("Newmont") representatives present at our meeting last week. We appreciate the opportunity to discuss the Proposed Order and Newmont's position on moving forward with additional work to address the Drew Tunnel discharge.

To summarize, Newmont is willing, in a timely fashion, to submit a work plan to undertake further investigations related to the Drew Tunnel discharge, as anticipated by the Regional Board's proposed order. Newmont is willing to conduct these investigations, voluntarily, because of their importance to resolution of the issues associated with long-term management of the Drew Tunnel discharge. Do note, however, and as discussed at our meeting, Newmont thinks it will take at least a year to complete the studies and capture a high-flow winter season, rather than six months as the Proposed Order reflects. This schedule also assumes that any access issues can be resolved expeditiously.

At the same time, as discussed at our meeting last week and will be detailed in Newmont's comments on the Proposed Order, Newmont has strong defenses to any Drew Tunnel order seeking either further investigation or additional cleanup. Newmont will not now agree to waive those defenses and accept an order, and an unprecedented order at

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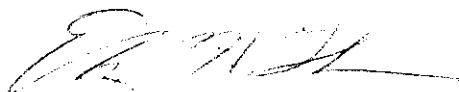
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that, which requires further Drew Tunnel cleanup, in addition to further investigations. A Drew Tunnel order that combines both investigation and cleanup is one Newmont will fight and fight vigorously, as to all of its requirements.

As mentioned at our meeting, Newmont does not need any order to move forward on the investigative work the Regional Board is requesting. If the Regional Board nonetheless is convinced of the need for an order, Water Code Sec. 13267 provides the requisite authority for an order covering the additional Drew Tunnel-related investigative work. Newmont would ask that the Regional Board look to Sec. 13267 for any order issued for further Drew Tunnel-related investigative work.

Thank you again for meeting with us. Your staff can contact the undersigned or Bill Lyle (303-837-5852) with any follow-up questions.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'E. H. Temkin', with a long horizontal flourish extending to the right.

Elizabeth H. Temkin

EHT/cmh

cc: J. Beckett
B. Lyle
F. McChesney
S. Rosenbaum